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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [PINR](#) [RS](#)
SUBJECT: NGO LEGISLATION: VARYING EXPECTATIONS ABOUT
IMPLEMENTATION

REF: A. MOSCOW 2132
[1](#)B. MOSCOW 2446

Classified By: Ambassador William J. Burns. Reasons: 1.4 (B/D).

[1](#)1. (C) SUMMARY: The GOR continues to be opaque about implementation of its controversial new NGO legislation, which is to go into effect next month. It has revealed almost nothing publicly about the legislation's implementing regulations, although one NGO contact told us he had seen draft reporting forms, which he described as ambiguous and intrusive. FM Lavrov told the Ambassador that the GOR is aware that implementation will bear heavily on Russia's image abroad, and the independent NGO community continues to believe the GOR will not launch a harsh crackdown on NGOs, at least until after the G-8 Summit. At the same time, the GOR sent what civil society activists see as a worrisome new signal when the Procuracy froze Open Russia Foundation's assets in connection with an investigation of charges of involvement in money laundering for Mikhail Khodorkovskiy. Although many observers do not expect the GOR to use the legislation for a full frontal attack on NGOs, they fear the Kremlin will use it to frighten most NGOs away from an oppositionist stance and exploit the ambiguities and new requirements in the legislation to eliminate those that seek to exercise political independence. END SUMMARY

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LITTLE NEWS ABOUT IMPLEMENTING REGULATIONS

[1](#)2. (SBU) Since its signature by President Putin on January 10, the controversial new legislation has awaited preparation of implementing regulations, a process being led by the Justice Ministry (ref a). According to the Interfax news agency, Putin said at a meeting with that ministry that enforcement of the legislation was among its "vital issues." He reportedly instructed that preparation of implementing regulations be guided by "constitutional provisions on the rights and freedom of an individual and citizen." We have heard nothing further from the GOR about the process of preparing those regulations.

[1](#)3. (C) Yuriy Dzhibladze of the Center for the Development of Democracy and Human Rights told us March 15 that while he had no word on specific provisions in the regulations, he had recently seen draft versions of the reporting forms that NGOs would have to complete in order to register. The Justice Ministry had sent those draft forms to other ministries a few weeks earlier for comment, Dzhibladze reported, and the Finance Ministry had confidentially sent them to some NGOs for assessment. Dzhibladze said the draft forms he saw were ambiguous and intrusive, and would place a heavy burden on NGOs. The forms, at least in their current draft, would require information on every event an NGO organized, including a participant list and details about financing and help from other organizations. He and other civil society activists had sent a negative assessment back to the Finance

Ministry, whose officials had said that they agreed but that they did not have the main decisionmaking role on the issue. Dzhibladze added that he had heard the Council of Europe might also have received the draft forms for comment.

GEARING UP FOR TROUBLE

14. (C) The Ambassador and others have continued to weigh in with our concerns about the legislation and its implementation. The Ambassador raised the issue in a March 14 meeting with Foreign Minister Sergey Lavrov, noting the potential impact on Russia's image abroad. Lavrov acknowledged that he understood that point and said that expressing concern about implementation was a good course to pursue. He also agreed that the MFA might usefully work with the Ministry of Justice to organize a briefing for foreign NGO's and foundations after the new law goes into effect in April, to help explain procedures and make clear that the MFA will monitor implementation.

15. (C) The Ambassador also raised our concern in a March 17 meeting with Vladimir Potanin, Chair of the Public Chamber's Commission for Developing Charity, Mercy and Volunteering. Potanin noted that he was interested in learning more about the positive work done in other countries by foundations, and that demonstrating such benefits might ease some concerns about NGOs. We also expressed concern March 22 to Vyacheslav Nikonov, Chair of the Chamber's Commission on International Cooperation and Public Diplomacy. Acknowledging the concern, Nikonov said he planned to hold a Commission roundtable with foreign NGOs, probably in May, at which they could discuss their initial experience with the legislation. Holding such a session would counter any charges that the GOR was not

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listening to NGO complaints while also demonstrating the Public Chamber's interest in the issue, Nikonov added.

16. (C) Civil society activists continue to express concern but take a wait-and-see attitude. In a recent meeting with the Ambassador, Moscow Carnegie Center Senior Scholar Liliya Shevtsova said the Kremlin was unlikely to launch a major attack on independent NGOs at least until after the G-8 Summit, and might not do so at all, instead pursuing an incremental approach against such organizations. In a March 20 visit by the Ambassador to the Moscow Helsinki Group (MHG) offices, MHG head Lyudmila Alekseyeva agreed that attacks on her organization might not begin in earnest until after the G-8 Summit and perhaps not until August. Still, she predicted that when the legislation goes into effect, smaller regional NGOs would be the first to be targeted. Another MHG staffer at the session added that problems already were mounting for regional NGOs, such as some in Nizhniy Novgorod which were losing the low rent they had long enjoyed from the regional government.

17. (C) Many activists are also preparing their NGOs for the legislation's new requirements, recognizing that even a minor violation of those requirements will create a vulnerability that the Kremlin will likely exploit. Ekho Moskvyy chief editor Aleskey Venediktov told us March 23 that, just as the Kremlin had used minor technicalities to keep the Rodina party off the ballot in several regional elections earlier this month (ref b), it would be in a position to do the same with NGOs that fail to complete registration forms properly. Moscow Carnegie Center head Rose Goettemoeller told the Ambassador that she was keeping a close eye on how the legislation would be implemented while also ensuring her organization's tax documentation was in order. The Moscow Helsinki Group's Alekseyeva told the Ambassador that she was briefing MHG's younger staffers on how to conduct themselves during investigations.

18. (SBU) Shevtsova has argued for an effort to improve the image of foreign NGOs. Along with New Eurasia Foundation

head Andrey Kortunov and others, she is seeking to organize an event to highlight positive contributions by such NGOs to solving social, health and other problems, and is hoping to draw media attention to the event. The Embassy is working with Shevtsova on the effort, and the Ambassador has urged other embassies to follow suit.

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OPEN RUSSIA AS A TROUBLING DEVELOPMENT

¶9. (C) The civil society community was shaken by the Procuracy's March 16 announcement about the freezing of assets of the Open Russia Foundation in connection with an investigation of charges that the NGO was involved in money laundering for Mikhail Khodorkovskiy, its founder and chief sponsor. On March 20, Open Russia announced it would suspend its operations. Ekho Moskvy's Venediktov was among several observers who predicted to us that Open Russia was almost certain to close down permanently. A UK emboff told us EU embassies would meet in the next few days to decide whether and how to voice their concern about Open Russia to the GOR.

¶10. (C) Several interlocutors noted to us that the Open Russia case was not directly linked with the new legislation. They saw it primarily as a further attack on Khodorkovskiy. Andrey Ryabov of the Institute of World Economy and International Relations added to us on March 22 that Open Russia had effectively reached out to mid-level elites in the provinces, and that the Presidential Administration had tried countering that by creating its own institution to train regional bureaucrats. Most of those bureaucrats continued to work with Open Russia rather than the more vacuous Kremlin-affiliated institute, Ryabov continued, which may also help explain the Procuracy's action.

¶11. (C) Even if the Open Russia case is not directly tied to the legislation, civil society activists see it as an alarming indicator of Kremlin intentions toward independent NGOs. Ryabov told us the Kremlin saw Open Russia's effectiveness in encouraging independent thinking and organizational activism in the regions as a threat that had to be eliminated. While the Khodorkovskiy factor made the Kremlin take a particularly harsh approach toward Open Russia, the thinking that motivated it would lead to sustained, if perhaps more nuanced, action against other elements of civil society once the legislation goes into effect.

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COMMENT

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¶12. (C) Few observers are surprised at the lack of public information about implementing regulations. While continuing to adopt a wait-and-see attitude, they are preparing themselves for potentially stringent new requirements that they expect to be set out in the implementing regulations. Smaller NGOs feel particularly vulnerable, given their likely inability to field the kinds of resources that may be needed to fulfill the legislation's requirements. Even the more established groups, however, worry, particularly given the ambiguity of the legislation and the Kremlin's proven ability to eliminate Rodina's participation in recent regional elections. While seeing the latest attack on Open Russia as a bad sign, independent NGOs believe the Kremlin will not apply the legislation too heavy-handedly at least in the run-up to the G-8 Summit. There is widespread concern about what will come thereafter, but many organizations are hopeful that they will continue to operate despite the added challenges. We sense deep concern, but not resignation or despair.

BURNS